CITY OF GOLD BAR, WASHINGTON
RESOLUTION NO. 26-05

A RESOLUTION OF THE CITY OF GOLD BAR, WASHINGTON AMENDING THE PURCHASE, PROCUREMENT, AND SALE POLICY

WHEREAS, the audit of funding years 2023 and 2024 conducted by the Washington State Auditor's Office included a review of the City of Gold Bar's Purchase and Procurement Policy as created in Resolution No. 17-11 and subsequently updated in later resolutions; and

WHEREAS, an updated and current purchase, procurement, and sale policy that reflects City processes is necessary for the purchase and disposition of goods, services, equipment, supplies, and property;

NOW THEREFORE BE IT RESOLVED by the governing body of the City of Gold Bar that the purchase and procurement policy created by Resolution 17-11 be replaced in its entirety with the following City of Gold Bar Purchase, Procurement, and Sale Policy.

Section I	**Repeal**
Section II	**Adopt**
Section III	**Revisions**
Section IV	**Severability**
Section V	**Effective Date**

Section I, Repeal

Previous Purchase and Procurement resolutions and policy revisions are hereby repealed in their entirety and replaced with Resolution 26-05 and its associated attachment.

Section II, Adopt

The City of Gold Bar Purchase, Procurement, and Sale Policy, as attached, is hereby adopted and incorporated herein by this reference as though fully set forth herein.

Section III, Revisions

The Public Works Director and/or Clerk/Treasurer are hereby authorized to make minor, non-substantive, and/or procedural changes that do not materially change purchasing rules, contract rules, or procedures within the Policy, such as formatting edits, without further approval of the Council. This authorization does not include changes that modify contract approval authority, or that limit, modify, or amend, any other process or procedure which currently requires the City Council's approval.

Section II, Severability

This resolution is severable and if any portion of it shall be declared invalid or unconstitutional, the remaining portion shall remain valid and enforceable.

Section III, Effective Date

This Resolution shall take effect from, and after, its passage and approval, as provided by law.

Resolved this 21st **day of** July**, 2026.**

APPROVED:

Steve Yarbrough, Mayor

ATTEST/AUTHENTICATED:

Lisa Stowe, Clerk/Treasurer

City of Gold Bar
EST. 1910

107 – 5th Street, Gold Bar, WA 98251

Purchase, Procurement, and Sale Policy

(as adopted through Resolution 26-05)

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I. General

A. Purpose

The purpose of this policy is to implement the requirements of state law regarding procurement and bidding on public contracts for public works, goods, services, supplies, and materials. It is the City of Gold Bar's policy to follow all applicable laws regarding the expenditure of public funds, to provide an open, fair, documented, and competitive process to be used whenever reasonable and possible. The purchasing function's integrity, efficiency, and effectiveness are critical elements of sound government.

B. Objectives

The objectives of the City's policy are as follows:

1. To provide a clear and transparent policy that informs the city council and citizens of the expenditure of public funds.

2. To provide a uniform system to obtain supplies, materials, equipment, and services in an efficient and timely manner;

3. To facilitate responsibility and accountability with the use of City resources;

4. To ensure equal opportunity and competition among suppliers and contractors;

5. To promote effective and clear communication between the City and its suppliers and contractors;

6. To comply with the comprehensive applicable State procurement statues which govern expenditures of public funds; and

7. To promote use of recycled materials and products and dispose of surplus and scrap materials with regards to cost savings and the environment.

C. Scope

This policy applies to purchases of public works projects, professional services, non-professional services, and supplies, materials, and equipment.

This policy does not apply to the acquisition, sale, or lease of real property.

If grant or federal funding is involved in the proposed purchase, applicable requirements should be obtained from the funding agency. Such requirements may be more restrictive than the City's policy.

D. Controlling Laws

The expenditure of public funds for the purchase of, and contracting for, goods, services, supplies, and materials, shall comply with all applicable federal and state laws, regulations, grants, or requirements as set forth in the Revised Code of Washington (RCW), the Washington Administrative Code (WAC), and any applicable local and federal laws or regulations. If the appropriate and relevant federal or state laws, regulations, grants, or requirements conflict or are more restrictive than these guidelines, such laws, regulations, grants, or requirements will be followed.

In the event any bid threshold limits in the RCWs are different from the values listed within this Policy, the RCW limits shall take precedence.

The City Attorney shall be consulted when questions regarding potential conflicts arise.

E. Monitoring and Compliance

The City of Gold Bar employees shall implement, monitor, and enforce these policies. In the event of any conflict in procurement requirements or questions about proper procedures or other requirements, the matter shall be referred to the Mayor for further action. Willful or intentional violations of public procurement requirements may result in personal penalties, financial liabilities, and/or discipline. (*See RCW 39.30.020*)

F. Proper Authorization

Only authorized employees acting within the scope of their authority may obligate the City in the acquisition of goods or services. Any employee purchasing goods on behalf of the City without proper authorization may be personally liable to the vendor and to the City, and subject to disciplinary action.

II. Defining the Need; Types of Procurement

Before determining the procurement method and approval authority, the type of purchase must be established. The major categories of purchase include the following.

A. Public Works (RCW 39.04)

Includes all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the City.

Examples include demolition, remodeling, renovation, road construction, building construction, and utilities construction.

B. Materials, Supplies, and Equipment

Materials, supplies, and equipment are considered tangible items that are manufactured and are moveable at the time of purchase. It is important to distinguish between materials, supplies, and equipment used in public works contracts as opposed to non-public works contracts, as different bidding requirements apply to each.

C. Services

Services are the labor, time, or effort of a person. Distinguishing between services and public work is important as services may have different bidding requirements. The City of Gold Bar classifies services as:

1. Architectural and Engineering Services. These services are to be acquired under the authority and procedures outlined in RCW 39.80.

2. General Services/Purchased Services. All other service-related work, including but not limited to, personal services (consultants that require specialized knowledge, education, professional licensing, or certification) and purchased services, including vendors retained to complete routine, necessary, or continuing functions for the City.

3. Technology Systems and Services. Any technology hardware or software system purchase, or maintenance agreement.

D. Determining the Cost

Once a need has been defined, the estimated cost of the goods and/or services will generally determine what competitive selection process the City will follow. Estimated costs for competitive bidding purposes must include:

1. All construction-related work (with the exception of engineering/architectural design fees, as those fees must be selected based on qualifications before cost is negotiated).

2. All phases of the project.

3. Any internal permitting costs of the project.

Note: cost estimates should not include donated materials, labor, supplies, etc.

III. Purchasing Code of Ethics

The public must have confidence in the integrity of its government. The purpose of this Code of Ethics is to apply and give guidance to all employees so they may conduct themselves in a manner that is compatible with the best interests of themselves and the City of Gold Bar.

To instill public confidence in the award of public contracts and the expenditure of public funds, the City of Gold Bar adopts the following code of ethics regarding public contracting:

A. Actions of City employees shall be impartial, professional, and fair.

B. Government decisions and policies shall be made in compliance with required procedures and within the proper channels of government structure.

C. Public employment shall not be used for personal gain, and City employees shall not solicit, accept, or agree to accept, any gratuity for themselves, their families, or others, that would, or could, result in personal gain.

1. *Reasonable Person Standard.* Staff and elected officials must be aware of any perceived or actual conflicts of interest based on inappropriate opportunities to influence the solicitation and/or award process. The City uses the measure of how a reasonable person would perceive the situation. A Reasonable Person Standard considers how the situation would appear if viewed from the perspective of a taxpayer or someone not employed by the City or in an elected position.

    a. No employee, officer, or agent may participate in the selection, award, or administration of a contract if they have a real or apparent conflict of interest. This conflict of interest extends beyond the individual employee, officer, or agent, to include that individual's immediate family members, partners, and/or other employers. If a City employee has a relationship or influence on any transaction involving the City purchases, contracts, leases, or public works, they must disclose the relationship or influence to the Mayor as soon as possible, so that safeguards can be established to protect the integrity of the procurement process.

    b. The City Attorney shall be consulted before initiating a contract with former City employees to determine if doing so would create an actual conflict of interest or the appearance of a conflict of interest.

2. *Limitations on Gifts.* City staff must not solicit or accept any gifts, meals, gratuities, or invitations for themselves, their families, or others, that would or could result in financial or personal gain or advancement, or that could be reasonably perceived as improperly influencing performance of official duties, a reward for awarding a contract, or offered or given to influence, find favor, or with a reasonable expectation of creating an obligation to the giver. Vendors are prohibited from offering gifts during the solicitation and ensuing contract award process.

D. Purchasing decisions shall be made impartially, based upon the City's specifications for the contract and the responses of those bidding on the contract.

E. Confidentiality

Documents, decisions, information, and opinions are generally to be kept confidential, except as required to be disclosed under the Public Records Act. Staff and elected officials shall not share information with anyone not directly involved in the evaluation and selection process. Authorized staff may contact respondents to City solicitations seeking additional information and clarification regarding submittals, as well as to negotiate a contract. However, conversations or contact with respondents regarding details of the evaluation process should otherwise be limited, and care must be taken to maintain the objectivity of the evaluation process.

F. Fair and Thorough Evaluation

The process must be fair to all respondents and must be deliberative in order preserve the integrity of the public bid process.

1. City staff and/or elected officials invited to assist in specification development, solicitation efforts, and/or award processes, must be considerate of conflicts of interest and other public accountability rules.

2. In the event a member of the evaluation and selection process has a conflict of interest, or a perceived conflict of interest, they must immediately withdraw from the process and, if necessary, consult with the Mayor or legal counsel.

IV. Prohibited Practices

A. Collusion Among Bidders

Agreement or collusion among bidders or prospective bidders to either buy or sell in restraint of freedom of competition, whether a fixed price or otherwise, shall render the bids void. Such bidders may be subject to possible exclusion from future bidding with the City.

B. Disclosure of Formal Bid Contents

Disclosure in advance of opening bids of any information contained in the sealed or formal bid, made or permitted by a City officer or employee, may render each bid void by the City. Bids submitted by bidders taking advantage of any information revealed contrary to this Section shall at once become null and void.

C. Employee-Owned Businesses

Generally, City goods or services shall not be obtained from businesses in which City officials, employees, or their immediate family members have a majority ownership interest, except as allowable by RCW 42.23.030

D. Sale of Materials and Supplies

The City shall not use its purchasing power or lend its credit to acquire goods or services for any private party, nor shall the City sell its materials or supplies to City officials, employees, or the public except when said materials have been declared surplus.

E. Solicitation of Donations

The City will not accept donations of materials or services in return for a commitment to continue, or initiate, a purchasing agreement.

V. Signature Authority for Contracts

Per RCW 35A.11.010, the City's authority to contract, and be contracted with, is vested in the City Council. Unless otherwise provided herein, the Council, by motion, authorizes signature authority to the Mayor to execute contracts and modifications.

A. City Council approval is required for goods or services *contracts* that:

1. Are contracts with a total aggregate value of $20,000 or more;

2. Are cost modifications that, either singly or combined with all previous modifications, pushes the total contract amount from under, to over, the $20,000 signature threshold;

3. Are cost modifications for contracts with an original value between $20,000 and $99,000 that results in a new total contract amount of $10,000 or more over the original contract amount.

4. Are cost modifications for contracts with an original value of $100,000 or more that results in a new total contract amount 110% over the original contract amount.

Examples:

If the current value of the contract is between $45,000 and $99,000 and a modification results in a new total that is $10,000 or more above the original contract, council approval is required.

If the current value of the contract is less than $45,000 and a modification results in a new total that is more than $45,000, council approval is required.

B. Federal grant reimbursement requests must be signed by the Mayor.

C. Electronic Signatures. The City follows RCW 1.80, Uniform Electronic Transactions Act, which applies to any electronic record or electronic signature created, generated, sent, communicated, received, or stored on or after June 11th, 2020. A document that is required by law to be signed in non-electronic media may not be digitally or electronically signed.

VI. Grant and Federal Funding

Grants or federal funding projects often have their own procurement requirements. In the case of conflict, the most restrictive requirements shall apply.

Federal Awards. Purchases made, or work performed, with federal grant funds must follow the standards identified in the *Federal Uniform Administrative Requirements, Cost Principles and*

Audit Requirements for Federal Awards (OMB Title 2, Subtitle A, Chapter II, Part 200), and any other applicable Federal laws, codes, and regulations.

A. The City will also provide reasonable assurance that Federal awards are being managed in compliance with all Federal regulations and with the terms and conditions of the award. The City shall review all federal requirements in Federal CFR 200.318 - 200.326.

1. Internal Controls. The City will maintain effective internal controls over the Federal award, providing reasonable assurance that the City is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

2. The City will take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings.

3. The City will take reasonable measures to safeguard protected, personally identifiable information, and other information the Federal awarding agency or pass-through entity designates as sensitive.

4. Allowable Costs. Federal awards will meet the following general criteria in order to be allowable except where otherwise authorized by statute.

a. Be necessary and reasonable for the performance of the Federal award.

b. Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types of amount of cost items.

c. Be consistent with policies and procedures that apply uniformly to both Federal-financed and other activities of the City.

d. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.

e Not be included as cost or used to meet cost sharing or matching requirements of any other Federally-financed program in either the current or a prior period.

f. Be adequately documented.

5. Procurement.

a. The City must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and other penalties as appropriate.

b. The City will comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act and the Federal Water Pollution Control Act.

c. The City must verify and document that vendors are not suspended or debarred from doing business with the Federal Government. Federal guidelines require grant recipients to ensure vendors with contracts or purchases exceeding $25,000 are not suspended or debarred from participating in federal programs. All City purchases and contracts issued from federal resources that exceed $25,000 are subject to these guidelines.

d. Before initiating any purchases or contracts with federal funds that exceed, or may potentially exceed, $25,000 within a fiscal year, the responsible City personnel shall verify that the vendor is not listed on the System for Award Management Exclusion list. If a vendor is listed on this list, the City shall not complete the purchase or contract with the vendor. If the list shows no records for the vendor, document this, retain a copy in City files, and proceed.

Note: the Washington State Department of Enterprise Services does not check for suspension or debarment on State bid contracts.

6. Single Audit Act. The City, when receiving Federal funds, shall adhere to the Federal regulations relating to the requirement for single audits as outlined in applicable Federal and State statutes and regulations.

7. Closure. A project agreement end date will be established and any costs incurred after the project agreement end date are not eligible for Federal reimbursement.

8. The federal government may not recognize Washington State's Small Works Roster alternative procedures or thresholds. The City will not use small works rosters procedures or thresholds if any federal funding is included or used without first verifying that such procedures or thresholds are recognized by federal regulations.

B. Prior to initiating any purchases or contracts with federal funds, the appropriate administrator will document that the procurement complies with the requirements of the Revised Code of Washington and any applicable Federal requirements. The most restrictive procurement method will be used whether it be federal, state, or local law. The documentation shall be retained in the associated files.

VII. Insurance, Licenses, and Prevailing Wages

Four requirements need to be met when hiring for projects for the City.

A. Certificates of Insurance

Before any contractor is allowed to work on City property, no matter the dollar amount of the work, the contractor must furnish the City with a Certificate of Insurance, naming the City as an additional insured, with the contractor's insurance as primary, and any City insurance as secondary, and including any verbiage required by the City.

B. Responsibility Criteria for Contractors

Anyone hired to do construction work on City property must have a valid State of Washington Contractor's License. The City must verify Worker's Compensation Premium Status and check for debarment with the Department of Labor and Industries. For Federal contracts, any firm hired to do business with the City must be registered and in good standing with the US government. The status of these entities can be checked through the System of Award Management (SAM) portal. The City will print out the relevant pages and file them in the Clerk's Audit documentation notebook.

C. Business Licenses

A City of Gold Bar business license may also be required dependent on licensing requirements found in the City's Municipal Code.

D. Prevailing Wage Requirements.

RCW 39.12 requires that workers be paid certain hourly wages for all public works and public service maintenance contracts, no matter the dollar amount of the project.

This prevailing wage law was enacted to protect the employees of contractors performing public works construction/maintenance, from substandard earnings and to preserve local wage standards.

The Department of Labor and Industries administers the law; the State Attorney General prosecutes violators; and the State Auditor ascertains if policies, practices, and procedures meet the requirements of the law. A 'Statement of Intent to Pay Prevailing Wages' must be received from the contractor and all subcontractors before any payment by the City is made, and an 'Affidavit of Wages Paid' must be received from the contractor and all subcontractors following final acceptance of the contracted work.

VIII. Determining Contract Value

Contract value refers to the total aggregate value of the contract, including all base periods, plus potential renewal periods. Example: a three year contract for $40,000 per year is considered a $120,000 contract.

IX. Electronic Data, Telecommunications Equipment, and Software

A. The purchasing of cell phones, telephone equipment, computers, printers, scanners, copiers and related equipment, hardware, software, licensing, and technical services less than $15,000 requires prior review by the Mayor.

B. For purchases of equipment and/or software costing above fifteen thousand dollars ($15,000) the City may acquire the equipment as it would materials, equipment, and supplies (as provided in Section XIII herein), or follow the alternative process contained in RCW 39.04.270(3), which permits such purchases to be made through use of an alternative competitive negotiation process requiring, at a minimum, the following steps.

> 1. A request for proposals (RFP) must be published in the City's newspaper of record at least thirteen (13) days before the last date on which the proposals will be received;
>
> 2. The RFP must identify significant evaluation factors, including price, and their relative importance;
>
> 3. The City must provide reasonable procedures for technical evaluation of the proposals, identification of qualified sources, and selection for awarding the contract; and
>
> 4. The award must be made to the qualified bidder whose proposal is most advantageous to the City. The City may reject all proposals for good cause and request new proposals.

C. Technology purchases include any technology hardware or software system purchase or maintenance agreements. There are two types of maintenance agreements.

> 1. *Sole Provider*. When annual maintenance of a City system is performed by the sole proprietor/vendor of that hardware/software, and there are no other maintenance providers available, a competitive process is not reasonable. For these situations, annual maintenance agreements are treated as standalone agreements. An example of a sole provider for the City is the Springbrook software utilized for billing and cash receipting. Annual maintenance costs for sole providers, once the initial contract is approved, shall be part of the annual budget as presented to the City Council.
>
> *2. Multiple Providers*. When there are multiple maintenance providers available for a particular system, and competition clearly exists for the service, a quote or RFP process may be required depending on the dollar amount. Because data may be handled, accessed, or stored by multiple providers it is imperative that the City's IT person be contacted prior to purchasing such products.

X. Bid Splitting

The breaking of any project into units, or accomplishing any project by phases, is prohibited if it is done for the purpose of avoiding compliance with bidding statutes.

The Washington Supreme Court has held that a City cannot break a public work project into phases for the purpose of estimating the cost of a public works project, even though those phases are performed at different levels of time. Instead, a City, while completing the actual project in phases, must total the cost of all phases of the public works project or purchase. If the aggregate cost exceeds the applicable bid limit, the City must bid each phase of the project even though a single phase may cost less than the bid limit.

To avoid bid splitting combine all phases of a public works project or vendor purchase when estimating cost.

XI. Cooperative Purchasing

RCW 39.34.030 allows the city to join with other governmental agencies for the purchase of supplies, equipment, or services. This is done by entering into a written interlocal agreement, which must be approved by the city council.

Bids and/or contracts by municipalities and cooperative organizations can be used to acquire goods and services. When using a cooperative option, the City is, in essence, 'piggybacking' off the original entity's competitive process, thus eliminating the need to perform the City's own purchase and procurement process.

An example of such 'piggybacking' includes the City's contract with Snohomish County for vehicle purchases.

The cooperative purchasing process requires the City to complete the following steps:

1. Confirm the City has a signed cooperative purchasing agreement or interlocal agreement with the municipality or agency. This involves working with the City's Clerk/Treasurer and executing an agreement if necessary.

2. Review the cooperative contract or interlocal agreement to ensure it is open and active for the relevant period, allows for use by other municipalities and/or agencies, and that it complied with the applicable public bidding requirements, including but not limited to, public solicitation and compliance with competitive bidding requirements.

3. Contact vendors to verify that the vendor will honor the cooperative organization's contract pricing. This involves obtaining details regarding all aspects of purchasing, including invoicing, availability, delivery, etc.

4. Contact the vendor to place the order and follow normal invoicing requirements.

5. Compile all documentation and provide records to the City's Clerk/Treasurer for audit documentation.

6. Ensure that, as part of the completion process, all terms and conditions of the underlying cooperative contract/interlocal apply and have been met.

The City has the option to change contract requirements. If this happens, the City must utilize its own contract that identifies those requirements that are unique to the City's purchase and that do not allow for a cooperative process.

The use of cooperative purchasing allows the City to utilize another entity's competitive process. It does not, however, change the authorized levels for procurement and approvals. The procurement and approval process will be determined by the purchase type, as defined in this policy.

XII. Materials, Supplies, and Equipment

This Section relates to the purchase and procurement of things unrelated to services or public works. Examples include office supplies, copy machines, maintenance supplies, etc.

Only authorized purchases that meet the following criteria are allowed.

1. Materials, supplies, and equipment used to conduct City business,

2. Materials, supplies, and equipment that are consistent with City priorities,

3. Materials, supplies, and equipment that are consistent with state and local laws, and

4. Materials, supplies, and equipment that are within predetermined budgets.

A. Thresholds

The thresholds for materials, supplies, and equipment included in this section consist of items purchased within a calendar year that are identical, similar or alike, or items used in conjunction with one another.

\$0 - \$14,999	Competition is not required. Supervisors are encouraged to determine price is fair and reasonable and document it in files.	Staff may approve purchases up to \$2,000. Supervisors may approve purchases up to \$14,999.
\$15,000 – \$50,000	Formal competitive bid process or three documented quotes from the Municipal Research Services Center (MRSC) roster or from a roster maintained by the City in accordance with the requirements of RCW 39.04.190. Written or emailed quotes are required Quotes must be attached to invoices. Note: obtaining quotes	Supervisors may approve purchases up to \$20,000. Purchases over \$20,000 must have prior approval by the Mayor, and must be approved by the City Council if not already approved through the City's annual budget process.

	is not a formal bid process. See further information below table.	
Over $50,000	Formal competitive bid process	Purchases requiring a formal bid process must have prior approval by the Council unless already approved through the budget process. The Mayor or Public Works Director awards winning bids.

All dollar limits include freight, handling, and set-up costs, plus appropriate sales tax.

1. General Process.

Quotes, RFQs, RFPs, and/or bids will not be accepted verbally.

All vendors must include contact information.

All vendors must be provided the same information to ensure vendors are quoting on equal and comparable items. If one vendor offers an acceptable alternative and the city agrees, new quotes must be requested from all vendors with the alternative specifications.

The City will not pay for technical information from vendors. If the information is to be shared with other vendors, it must be stated up front. If a vendor's technical information is used without their approval, the City may face legal consequences.

On-site demonstrations or delivery of preview/trial items will not constitute a purchase or an agreement to purchase.

At the time quotes are solicited, staff shall not inform a vendor of any other vendor's quote.

A written record shall be made by staff of each vendor's quote on the materials, supplies, or equipment, and of any conditions imposed on the quote by such vendor.

An award shall be made to the lowest responsible vendor. All quotes must include, if possible, shipping and sales tax, or an estimate of both.

Whenever there is a reason to believe that the lowest acceptable quote is not the best price obtainable, all quotes may be rejected and the City may obtain new quotes.

All quotes must be documented and retained according to retention laws.

2. Process: Informal Competitive Quotes, $15,000 - $999,000.

Staff shall make an effort to contact at least three vendors, but may procure goods using the method that provides the greatest quality and value to the City. The number of vendors contacted may be reduced if the item being sought is only available from a smaller number of vendors. When fewer than three quotes are requested or if there are fewer than three replies, an explanation shall be attached to the documentation.

3. Process: Vendor Rosters, $15,000 - $50,000.

When purchasing materials, supplies, or equipment between $15,000 - $50,000, the City may award purchasing contracts through the formal competitive bidding process, or alternatively, through the vendor roster process authorized by RCW 39.04.190. If authorized, the process permits the City to utilize the vendor roster(s) developed and maintained by MRSC, or alternatively, use a City-developed and maintained roster. If the City elects to develop and maintain its own roster, at least twice per year, the City shall publish in the City's newspaper a notice of the existence of a vendor list and solicit the names of vendors for the lists. The City shall, by resolution, establish a procedure for securing telephone or written quotations, or both, from at least three vendors whenever possible to ensure that a competitive price is established for the award of contracts. When fewer than three quotes are requested or if there are fewer than three replies, an explanation shall be attached to the documentation. Once the award is made, the bid quotations shall be recorded, open to the public for inspection, and shall be available by phone inquiry.

4. Process: Formal Bid Process, over $50,000. Purchases of supplies, goods, materials, and/or equipment over $50,000 that are not part of a public works project must use the formal bid process, with price being the primary factor in the contract award decision.

Unless otherwise specifically approved by the Council, all contracts relating to the purchase of materials, supplies, and equipment shall be in accordance with the City budget.

The Public Works Director shall compile bid packages, including technical specifications, bid and contract timeframes, pre-bid conference dates/times, a list of vendors if applicable, and any other bid documentation.

Public notice of the request for bids shall be published at least once in a newspaper of general circulation and on the City's website. The public notice shall state the date and time of bid opening. Bids not received by the date and time stated for bid opening will not be accepted or considered.

The City may arrange a pre-bid conference if necessary or requested, and include that date in the published information. The City will maintain documentation of vendors and their bid information.

Bids shall be opened publicly and recorded at the time and place designated in the request for bids.

Bid awards may be withdrawn, modified, or canceled by written notice prior to the time of bid opening. After bid opening, withdrawal of bids shall be permitted only to the extent that the bidder can show clear and convincing evidence presented in a sworn affidavit or declaration submitted no later than 5:00 pm on the first business day after bid opening that a clerical mistake was made and not a mistake in judgment, and must specify the intended bid price. All decisions to permit the withdrawal of bids after bid opening, or to cancel awards or contracts based on bid mistakes, shall be made by the Mayor after consultation with the Public Works Director and/or legal counsel.

5. Lowest Responsible Vendor.

Contracts shall be awarded to the lowest responsible bidder. Bids shall be tabulated and documentation retained. The award of the bid shall be made to the lowest responsible bidder whose bid meets the City's specifications and evaluation criteria. The City may reject all bids at its discretion.

If recommendation for an award is made to anyone other than the lowest bidder, documentation must state the specific reasons why the lowest bid was not acceptable and the documentation must be reviewed by the Mayor and/or legal counsel.

XIII. Public Work Construction Activities

Public works consists of all work, construction, alteration, repairs, maintenance, or improvements that the City performs or contracts. Dollar thresholds for public works projects determine when competition is required and are summarized below. It is the responsibility of the Public Works Director and/or Mayor to order work for the Public Works Department when under respective quote limits.

$150,000 or less	May utilize direct contracting as authorized by RCW 39.04.152 or a small works roster, described in detail below. If direct contracting or a small works roster is not used, formal competitive bidding is required.	Mayor may approve projects up to $60,000 if part of the approved budget. Council must be informed in a timely manner. Over $60,000, Council must approve projects in advance unless already approved through the budget process.
$350,000 or less***	May utilize the small works roster process as described in RCW 39.04. 151-152 described in further detail below. If the small works roster is not used, formal competitive bidding is required.	
$350,000.01 and over	Formal competitive bidding is required as described in RCW 39.04.	Projects awarded/approved by the City Council.

****This threshold will increase to $530,000 or less on January 1, 2027 – June 30 2027; $560,000 or less on July 1 2027-June 30 2028; $590,000 or less on July 1 2028 – June 30 2029; $620,000 or less on July 1 2029 – June 30 2030; and $650,000 or less on July 1 2030.*

A. Process

Invitations to bid shall call for sealed bids in a newspaper of general circulation at least one time, and at least 13 days prior to the last date upon which bids will be received, describe the nature of the contemplated project, including an estimate of the contemplated cost, and direct prospective bidders where such bidders can review the full invitation to bid, including the contract documents, plans, and/or specifications.

Invitations to bid shall include:

1. directions as to when, where, and how to submit sealed bids;

2. contract documents containing all applicable public works requirements, including bond, retainage, and prevailing wage requirements;

3. a requirement that the bidders submit contractor lists in accordance with RCW 39.30.060;

4. a requirement that the bidders submit a signed statement in accordance with RCW 39.04.350(2);

5. a requirement that the bidders include a bid bond of a minimum of 5%, which must be in the form of a surety bond, cash, cashiers or certified check;

6. supplemental bidder criteria, if any; and

7. bid protest procedures, as appropriate.

Bids will not be accepted verbally.

All contractors must include contact information.

All contractors must be provided the same information to ensure vendors are quoting on equal and comparable items. If one contractor offers an acceptable alternative and the City agrees, new quotes must be requested from all contractors with the alternative specifications.

The City will not pay for technical information from contractors. If the information is to be shared with other contractors, it must be stated up front. If a contractor's technical information is used without their approval, the City may face legal consequences.

On-site demonstrations or delivery of preview/trial items will not constitute a purchase or an agreement to purchase.

At the time quotes are solicited, staff shall not inform a contractor of any other contractor's quote.

A written record shall be made by staff of each contractor and of any conditions imposed on the quote by such contractor.

An award shall be made to the contractor submitting the lowest or best responsive reasonable quote. Product availability may be taken into consideration.

Whenever there is a reason to believe that the lowest acceptable quote is not the best price obtainable, all quotes may be rejected and the City may obtain new quotes.

All quotes must be documented and retained according to retention laws. The City shall allow at least two full business days after providing bidders with copies of all bids before executing a contract for the project.

The City shall require the payment of prevailing wages based on the prevailing wage rates in effect at the beginning date for each contract year. Intents and affidavits of prevailing wages must be paid and submitted for all work completed. Except as provided herein, the City shall require performance and payment bonds for contracts valued at more than $5,000. The City shall also require the use of apprenticeship utilization requirements, where projects meet the threshold established by RCW 39.04.320.

The City shall withhold 5% retainage from the moneys earned by any contractor pursuant to RCW 60.28; provided, however, the City may reduce or waive retainage requirements, and thereby assume liability for a contractor's nonpayment of labor, mechanics, subcontractors, materials, suppliers, taxes, and penalties; and further provided that, the City may elect to waive the requirement for payment and performance bonds on projects estimated to cost $150,000 or less, at the option of the contractor, and instead retain 10% of the contract amount for a period of 30 days after final acceptance of the work or until receipt of all necessary releases from the Department of Revenue, Department of Labor and Industries, and Department of Employment Security, and the settlement of any liens under RCW 60.28, whichever is later. Any such waiver does not affect the City's right to recover against the contractor for any payments made on the contractor's behalf.

Finally, in addition to the procedures outlined herein, where applicable, the City may utilize the alternative public works processes authorized by RCW 39.10.

B. Direct Contracting (on projects estimated to cost less than $150,000)

For contracts with an estimated cost of less than $150,000, excluding sales tax, the City may contract directly with certified small businesses as defined by RCW 39.04.010(7), without a competitive process as follows:

1. If six or more contractors meeting the definition of a small business are on the applicable roster, the City ***must*** contract directly with one of those small businesses that indicated an interest in performing the work.

2. If five or fewer contractors meeting the definition of a small business are on the applicable roster, the City ***may*** contract directly with any contractor on the applicable roster.

If the City utilizes direct contracting, it must rotate through the contractors on the appropriate roster and must, when qualified contractors are available to perform the work within the budget described, utilize different contractors on different projects. The City must also establish a small, minority, women, and veteran-owned business utilization plan, and notify small, minority, women, or veteran-owned businesses on the applicable roster when direct contracting is utilized. In addition, at least once annually, the City must publish in the City's newspaper, the contractors contacted for direct negotiation as required by RCW 39.04.152(7). If the City elects not to use direct contracting, it shall invite bids by electronically notifying all contractors on the applicable roster that indicated interest in performing the work.

C. Small Works Roster (on projects estimated to cost less than $350,000)

For projects estimated to cost less than $350,000, excluding sales tax, the City may contract by securing written or electronic quotations from contractors on the appropriate small works roster(s) to assure that a competitive price is established and to award contracts to the lowest responsive responsible bidder. The City may create one or more small works rosters for different specialties or categories of anticipated work or geographic area, or alternatively, utilize MRSC's statewide small works roster.

If the City elects to create one or more small works rosters, it must require contractors desiring to be placed on the roster to indicate whether they meet the definition of women and minority-owned business as described by RCW 39.19.030(7)(b), veteran-owned as defined by RCW 46.60A.010, or small business as defined by RCW 39.04010, and keep current records of any applicable licenses, certifications, registrations, bonding, insurance, and other appropriate matters on file. The disclosure and maintenance of such information must be a condition precedent for placement on the roster(s) and the award of any contract. In addition, at least once a year, the City shall publish in its newspaper, and provide the Office of Minority and Women's Business Enterprises ('OMWBE') with notice of the existence of the roster(s) and solicit the names of responsible contractors for such rosters. Responsible contractors must be added to the appropriate roster(s) any time they submit a written request and the required documents, and where required by law, are properly licensed and registered to perform such work in the State.

The City shall invite bids by notifying all contractors on the applicable roster(s) that have indicated an interest in performing the work. If an award is made, the City shall award the contract for the public works project to the lowest responsive and responsible bidder; provided that the City may waive informalities in bidding and/or reject all bids and call for new bids.

If the City uses the small works roster process to award contracts for construction, building, renovation, remodeling, alteration, repair, or improvement of real property must make available a list of the contracts awarded under the process at least once every year. The list shall contain the name of the contractor or vendor awarded the contract, the amount of the contract, a brief description of the type of work performed or items purchased under the contract, and the date it was awarded. The list shall also state the location where the bid quotations for these contracts are available for public inspection.

D. Traditional Competitive Bidding (for projects estimated to cost $350,000 or more)

Contracts estimated to cost more than $350,000, excluding sales tax, shall be awarded using the public competitive bidding process. The City shall comply with RCW 39.04 in the solicitation and award of such contracts.

E. Unit-Priced Contracts

Unit-priced or 'on-call' contracts are awarded without a specific public works project or scope of work in place, but rather are categorized around general types of anticipated work or trades. In other words, while traditional public works contracts are awarded for specific projects with defined scopes or values, unit-priced contracts are not associated with a specific scope, amount of work, or dollar value. Unit-priced contracts may be based upon different units, including but not limited to, weight, surface area, volume, length/depth, time, and quantity. Unit-priced contracts must be competitively bid.

When the City determines that certain types of anticipated work warrant the use of a unit-priced contract, individual work (or task) orders are authorized based on either a 'not-to-exceed time and materials' basis or on a negotiated lump sum amount, using the unit prices bid by the contractor. The contractor then proceeds to complete the work. Typically these types of contracts are used for repair, renovation, and maintenance of public facilities, all of which are included in the definition of public works in RCW 39.04.010. Unit-priced contracts shall not exceed one year, but the City, at its option, may agree to an extension of the initial term for one additional year.

The Mayor or Public Works Director will approve individual task/work orders up to $100,000, with the Mayor notifying the City Council. For individual task/work orders over $100,000, the projects must be approved by the Council.

Such contracts should be limited to a total dollar amount over the life of the contract to an amount less than an agency's bid limits when possible.

Requests for bids under such a contract should incorporate unit price and lump sum price bid items as much as is practical. Requests for bids should also include estimated quantities of the work and the manner in which the City will issue work orders, based on the hourly rates or unit prices, and specify how the City will issue or release work assignments, work orders, or task authorizations pursuant to a unit-priced contract for project tasks, or other work based on the hourly rates or unit prices bid by the contractor. Whenever possible, the City must invite at least one proposal from a minority, women-owned, or veteran-owned business. Unit-priced contractors must pay prevailing wages based on the wage rates in effect at the beginning date for each contract year, and must comply with the provisions of RCW 60.28.

Award of such a contract should be to a responsible contractor with the lowest total price based on the sum of the unit price and lump sum bid item extensions.

Task or work orders shall be completed by the Public Works Director for each new project.

All other public work requirements apply based on contract amount and on an individual task order basis.

If the original lump sum bid items will not cover work to be accomplished, new line items may be added by change order(s) or the work may be accomplished under a time and materials work order if the total contract amount will not be exceeded.

F. Prevailing Wages

To ensure prevailing wage laws are followed, refer to these points. Also refer to Section VII, Insurance, Licenses, and Prevailing Wages.

The City must require all contractors to pay prevailing wages on public works projects. For public works contracts:

1. After selection, the contractor is required to file a 'Statement of Intent to Pay Prevailing Wages' with L&I *prior to starting work*. The contractor must provide documentation to the City that this filing has taken place and must insert the City Contract number in the contract number box on the Statement form; and

2. After the work is completed, the contractor must also file an 'Affidavit of Wages Paid' with L&I. The vendor must insert the City Contract number in the contract number box on the Statement form. Final payment and/or retainage from the City will not be released until certified intents and affidavits have been received, Notice of Project Completion has been submitted to the Department of Revenue, Employment Security, and L&I through the normal retainage process, and releases from those agencies have been obtained.

G. Change Orders

All material changes to contracts are required to be memorialized in writing at the earliest possible time in a change order or other equivalent document. Bids are not required when unforeseen extra work becomes necessary under an existing contract.

The Mayor and/or Public Works Director may authorize individual change order increases up to twenty percent of the project or $20,000, whichever is less. Change orders increasing project cost more than $20,000, or that cause the project as a whole to go over the budgeted amount, must receive prior approval from the City Council. In cases of emergencies, approval of change orders that may cause the project as a whole to go over budget, may receive pre-approval from the Mayor. Such emergency pre-approval must be documented.

H. Acceptance

The Public Works Director is authorized to formally accept all projects as final, followed by a report to the City Council. The Public Works Director may choose to defer final project acceptance to the City Council.

XIV. Architectural and Engineering Services

A. Process

The City shall procure architectural and engineering services ('A&E Services') in accordance with the requirements of RCW 39.80. The City may obtain A&E Services by:

1. Publishing an RFQ soliciting statements of qualifications to provide A&E Services on a single project, evaluating the statements of qualifications received in response to the RFQ, and selecting the most highly qualified firm without regard to price; or

2. Selecting a qualified firm from a roster or list maintained in accordance with the requirements of RCW 39.80.030. The City may maintain its own roster and/or may utilize any roster maintained by the MRSC.

RFQs issued for A&E Services shall concisely state the general scope and nature of the project or work for which services are required, and provide the name and telephone number of a City contact who can provide details. Price shall not be a consideration in RFQs for A&E Services. Instead, the City will negotiate a contract with the most qualified firm at a price which the City determines is fair and reasonable, as allowed by Revised Code of Washington, chapter 39.80.050. In making its determination, the City shall take into account the estimated value of the services to be rendered as well as the scope, complexity, and professional nature of those services. If the City is unable to negotiate a satisfactory contract with the firm selected at a price the City determines to be fair and reasonable, negotiations shall be terminated and the City shall begin negotiations with the next highest qualified firm.

The City's authority thresholds for procuring A&E Services are as follows:

1. Services from $9,000 - $20,000 shall be awarded/approved by the Mayor; and

2. Services over $20,000 shall be awarded/approved by the City Council.

XV. Ordinary or 'Purchased' Services

Contracts for services are not subject to competitive bidding requirements. The City may procure services using the method it determines will provide the greatest attainable level of quality an value, including without limitation advertised bid, request for quote or proposal, and direct negotiating and contracting, so long as the procurement is within the City's budget.

Thresholds for ordinary or 'purchased' services:

$0 - $14,999	Competition is not required. Public Works Director is encouraged to determine price is fair and reasonable and document in files.	Public Works Director and/or Mayor approves purchased services. *Note*: Director is required to notify the City Council at the next regular meeting for all purchased services over $10,000 that exceed the City's annually approved budget.
$15,000 – $100,000	Three written quotes are required.	The Public Works Director obtains quotes and the Mayor and Council approve purchased services. The Council is informed if purchased services exceed the approved budget.
Over $100,000	Formal RFP; may be sealed or not.	Purchased services awarded/approved by the Mayor and City Council.

XVI. Payments

All questions regarding payments should be directed to the City's Clerk/Treasurer. Cash advances are prohibited. Expenditures paid with a City credit card shall be made in the amount of actual expenditures only. The City's Office Manager shall be the custodian of the City's credit cards. All purchases with City credit cards shall be accompanied by receipts, purchase orders if required, and supporting documentation, and given to the Clerk/Treasurer.

XVII. Real Property

Leasing is generally used for mid-to-long-term contracts. Renting is usually a short-term solution that is a result of causal events and can be approved by the Public Works Director.

Bids are not required on equipment leases, however the City may opt for legal or Council review, and the Mayor or designee must approve all equipment leases. The lease should also be reviewed by the clerk/treasurer prior to signing to ensure budgeting and financial accountability. Lease-to-own purchases are to be budgeted and accounted for as if the total expense is to be incurred when the item is purchased. Equipment leases must be part of the City's annual financial report.

A lease of property (equipment) with an option to purchase that is valued at more than $15,000 is subject to competitive bidding.

XVIII. Exemptions to Competitive Bidding Requirements

Washington state statutes contain exceptions to bidding requirements. Exceptions, when exercised, should make good business sense and be in the best interest of the City.

A. Purchase of Goods

The City may waive purchasing requirements for the purchase of goods for the following reasons:

> 1. If an emergency arises where it is vital that the goods be purchased without a competitive process, and the City formally declares and/or otherwise makes a resolution waiving the competitive process as a result of such emergency; or
>
> 2. If a purchase is clearly and legitimately limited to a single source of supply; or
>
> 3. If a purchase involves special facilities or market conditions; or
>
> 4. If, after solicitation from several sources, the competition is determined to be inadequate, and efforts have been documented demonstrating such inadequacy.

Emergencies are defined as unforeseen circumstances beyond the control of the City that: (a) present a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life, if immediate action is not taken.

A purchase is limited to a single source of supply when it is only feasible to obtain goods or services from one supplier or service provider (e.g., licensed, copyrighted, or patented products or services that only one vendor provides; new equipment or products that must be compatible with existing equipment or product; proprietary or custom-built software or information systems that only one vendor provides; or products or services where only one vendor meets the required certifications or statutory requirements). There should be careful deliberation before going to a sole/single source as this type of purchase eliminates competition and tends to drive prices up.

Unless a specific and documented sole source condition exists, the City shall follow standard competitive processes.

Special facilities or market conditions are generally limited to goods that are available for a short period of time, or unique items provided by a vendor and/or contractor.

B. Public Works Emergency Procurement

The City may enter into necessary public works contracts, execute change orders, or amend an existing contract in compliance with the procedures required by the policy upon making a determination that an emergency requires such action. Such deviation from the competitive process for public works projects is only possible when an emergency, as defined in Section XVIII(A) above, exists. The City must issue a written document declaring the existence of such emergency within a reasonable period of time following any such emergency project.

C. General Exceptions

Additional items and/or circumstances in which competitive bidding is not required include:

1. Ordinary maintenance and/or repairs;

2. The purchase of insurance and bonds;

3. The purchase of supplies, equipment, or materials at auctions;

4. Community service group contracts as permitted by RCW 35.21.278; and

5. the construction of pollution, water, or solid waste control facilities.

XIX. Disposal Or Sale of Surplus Property

A. Surplus process

Except as otherwise provided herein or authorized by statute:

1. Property with an estimated value under $5,000 may be declared surplus by the Mayor and/or supervisor.

2. Property with an estimated value between $5,000 and $49,999 must be declared surplus by the City Council and must meet *one or more* of the following criteria:

   a. The City has, or soon will have, no foreseen practical and efficient use for the property.

   b. The purpose served by the property can be accomplished by use of a better, more effective, or more efficient alternative.

   c. The purpose served by the property no longer exists as determined by a change of policy evidenced by an ordinance or resolution of the City Council.

   d. The property is damaged, worn out, or otherwise inoperable, and the cost of repairing the same is unwise or impractical.

3. If the value of the property the City seeks to surplus is greater than $50,000, then a public hearing is required. (*See RCW 39.33.020*) Notification of the public hearing must be posted at least ten days, but not more than twenty-five days, prior to the hearing, and must be published in a newspaper of general circulation and on the City's website. Notification must include the date, time, and place of the hearing as well as identification of the property which can be easily understood by the public.

4. RCW 35.94.040 requires that a public hearing be held if real estate or personal property originally purchased for utility purposes is no longer needed for that use, and the

City desires to lease, sell, or convey the property. A hearing is required regardless of the value of the property.

B. Sale of City Property or Equipment

The City may occasionally need to sell or convey equipment or property which is no longer needed for municipal purposes. The underlying authority for the sale and/or surplus of City equipment or property is found in the Revised Code of Washington (RCW) 35.23.010.

1. Prior to sale, the City will determine the fair market value of the equipment or property in order to avoid violating the 'gift clause' in the State Constitution. If the equipment or property is to be sold at less than fair market value, a reason must be demonstrated and approved by the City Council.

2. A public hearing is required for any sale of real estate or personal property originally purchased for utility purposes that is no longer needed for that use, regardless of the value of the property. (*See RCW 35.94.040*)

3. No public hearing is required for the sale of equipment or property valued at less than $50,000 unless it relates to the sale of real estate or personal property purchased for utility purposes.

4. A resolution shall be passed prior to the sale of all equipment or property valued at more than $1,000, declaring the equipment or property to be surplus, and specifying how the equipment or property shall be sold, or delegating that task to the Mayor or designee.

5. For equipment or property valued at less than $1,000, approval must be obtained by the Mayor prior to sale. Approval shall be documented and documentation shall be filed by the City Clerk/Treasurer with audit paperwork for the current year. Items shall be listed for sale on the City website and/or posted at the City Hall.

6. The sale can be through any commercially reasonable way. This may be by auction, private sale, sealed bid, etc. The equipment or property to be sold must be advertised in a newspaper of general circulation, on the City's website, and by posting at the City Hall. The advertisement shall include a description of the equipment or property and the fair market value cost.

7. The final sale must include a waiver or document signed by the City's designee and the buyer, releasing the City from all liability related to the equipment or property sold.

8. The City's elected officials and employees may be restricted from purchasing surplus equipment or property due to conflict of interest concerns. Any elected official or employee directly involved in making the *decision* to surplus equipment or property, or any elected official or employee *administering* the actual sale, may not purchase the equipment or property.

9. The City Council may elect to discuss the selection of property for purchase or lease (or the price), during executive session if public knowledge regarding such consideration would cause a likelihood of increased price. (*See RCW 42.30.110(1)(b)*)

10. The City Council may elect to discuss the minimum price at which it will sell a particular parcel of real estate during executive session, if public knowledge regarding such consideration would cause a likelihood of increased price. (*See RCW 42.30.110(1)(c)*)

11. The City may transfer, lease, or dispose of property at low or no cost for affordable housing and related facilities for low-income and very low-income households, consistent with local regulations and the City's comprehensive plan. (*See RCW 39.33.015 and 43.63A.510*)

12. The City may sell or transfer property to other governmental entities at less than value in some instances. Such sales or transfers must meet the requirements of RCWs 39.33.010 and 43.09.210 as well as the Washington State Attorney General's Office publication 1997 No. 5.

XX. Trade-Ins

Trade-ins with a value less than $15,000 must be negotiated, documented at fair market value, and declared surplus ahead of time by the Mayor or Clerk/Treasurer.

Trade-ins with a value of more than $15,000 must be negotiated, documented at fair market value, and declared surplus ahead of time by the City Council.

Fair market value should include the comparison sources and must be documented and retained according to retainage requirements.